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STATINTL

Onassis Settles

U. S. Recovers \$30 Million in 'Tanker Scandal' Cases

By JACK STEELE Scripps-Howard Staff Writer

The Government is about ready to close the books on the so-called "tanker scandal" after recovering nearly \$30,000,000 for U. S. taxpayers.

The imminent wind-up of the tanker case—one of the most fantastic and complex in the history of maritime law—was announced today by Assistant Attorney General Warren E. Burger.

Much of the credit for recovering the \$30,000,000 for the Treasury in the case goes to Mr. Burger, who has been nominated for the Court of Appeals bench by President Eisenhower and will leave the Justice Department early next year if he is confirmed by the Senate.

Mr. Burger announced yesterday that Aristotle Socrates Onassis, fabulous Greek shipowner, has agreed to pay \$7,000,000 to redeem 23 tankers and other World War II surplus ships seized by the Government.

FORECAST

He forecast that another agreement for a similar amount will be signed in a week with Stavros Niarchos, who already has agreed to pay the Government an additional \$8,000,000 to recover seized vessels.

Thus Mr. Niarchos and Mr. Onassis, who are brothers-in-law, will

contribute the bulk of the \$30,000,000 settlement and will end up as the big losers in the tanker deals.

Both were accused by the Government of obtaining control of tankers and other surplus ships in violation of a law which said they could not be sold or transferred to aliens.

Criminal charges of fraud against them were dismissed after they agreed to the civil settlements. Mr. Burger said their payments represented both profits from operating the ships and penalties for their illegal use.

AGREEMENT

In addition to the \$30,000,000, the Government has taken back eight vessels and obtained an agreement from Mr. Niarchos to build several tankers in U. S. shipyards to replace those he bought and transferred to foreign registry.

The still-pending final settlement in the case with Mr. Niarchos will cover five tankers he obtained from a group headed by former Rep. Joseph E. Casey (D., Mass.).

Thus Mr. Casey's name will figure in the wind-up as it did in the beginning of the tanker case.

Sen. J. William Fulbright (D., Ark.) first turned up the case at

hearings of a Senate Banking subcommittee which was looking into corruption in the RFC.

He learned that Mr. Casey and others had made fantastic profits by buying surplus tankers from the old Maritime Commission and reselling them to companies controlled by aliens.

TRANSFER

Sen. Fulbright turned over the probe to the Senate Investigations subcommittee, then headed by the late Sen. Clyde R. Hoey (D., N. C.).

Among those who figured in its hearings were Mr. Casey, the late Edward R. Stettinius, former Secretary of State; Admiral William F. (Bull) Halsey, Joseph H. Rosenbaum, Washington attorney who achieved fame by giving a mink coat to a White House secretary, and Newbold Morris, one-time GOP candidate for Mayor of New York.

All except Mr. Morris, who represented a Chinese foundation in the tanker deals, made fat profits by investing only a few dollars of their own.

Mr. Casey, Mr. Rosenbaum and several others were indicted for fraud, but the charges against all were dismissed.

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